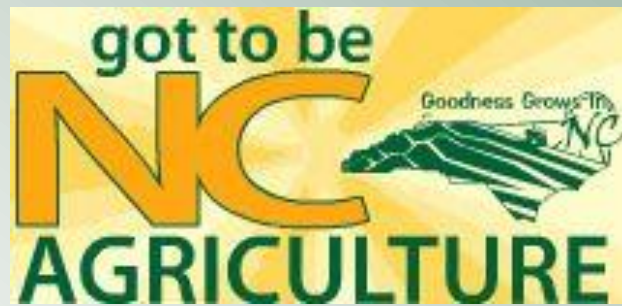
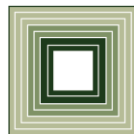


Department of Agriculture & Consumer Services

Budget Overview



March 8, 2011



FISCAL RESEARCH DIVISION
A Staff Agency of the North Carolina General Assembly

Today's Agenda

DACS Budget Overview

Division Overviews

Mission/ Programs

Positions

NCGA Actions

Governor's Recommendation

NCGA Reduction Options

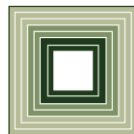
Budget Information

Management Items

Reversion Information

Agency Reduction Options

Department Overview



FISCAL RESEARCH DIVISION
A Staff Agency of the North Carolina General Assembly



Mission Statement

To improve the state of agriculture in North Carolina by providing services to farmers and agribusinesses, and to serve the citizens of North Carolina by providing services and enforcing laws to protect consumers.

DACS Basics

FY 2010-11 Authorized Budget

Expenditures	\$	126,078
Receipts	\$	60,331
Appropriation	\$	61,980

(in Thousands)



Number of Divisions	21
Executive Mgmt	5
Directors	16
Asst. Directors	19
Supervisors	54
Admin	147
<i>Admin</i>	88
<i>HR</i>	14
<i>Budgeting</i>	8
<i>IT</i>	37
Other Employees	1,106

Organizational Structure

Commissioner

Deputy Commissioner

- Ag. Stats
- Budget & Finance
- HR
- Property & Construction
- State Fair

Policy, Communications & Legal Affairs,

- Legal Affairs
- Public Affairs
- ADFPTF

Agricultural Services

- Agro. Svcs
- Food Dist.
- Marketing
- Coop. Grading
- Plant Industry
- Research Stat.

Consumer Protection

- Em. Programs
- Food & Drug
- Meat & Poultry
- Standards
- Struct. Pest/
Pesticides
- Vet Services

Cell Phones

- New department-wide cell phone policy
 - Adopted February 2011
 - Forbids personal use of cell phones except in emergencies
 - Covers use of cell phones not issuance

December 2010

496 cell phones

(~ 37% of all employees)

133 with data plans

Cost: >\$25k / month

**** 21 more cell phones
than Dec. 2009 ****

- Management regards the issuance of cell phones as a **safety matter**
 - Field inspectors work by alone, in stressful conditions

Motor Vehicles

February 2011

174 MFM Assigned Vehicles

628 Passenger Vehicles

547 Non-passenger Vehicles

- No department-wide assignment policy
- Most divisions assign vehicles to field staff
- Smaller divisions, esp. those without field staff, often share a vehicle(s)

Passenger vehicles

- Pick ups, vans, dump trucks, tractor trailers, etc....

Non-passenger vehicles

- ATV, tractors, forklifts, mowers, etc....

Remote Employees

- Numerous home based employees
 - Mainly field staff who perform inspections
 - Ex: Structural Pest/ Pesticide, Veterinary
- Department has a telework policy, requires:
 - Signed agreement between supervisor & employee
 - Performance rating of “Good” or better
 - Appropriate work

February 2011

Employees in 89 counties
(Majority in Wake County)

No Regional Offices

Ag Centers & Farmers Markets

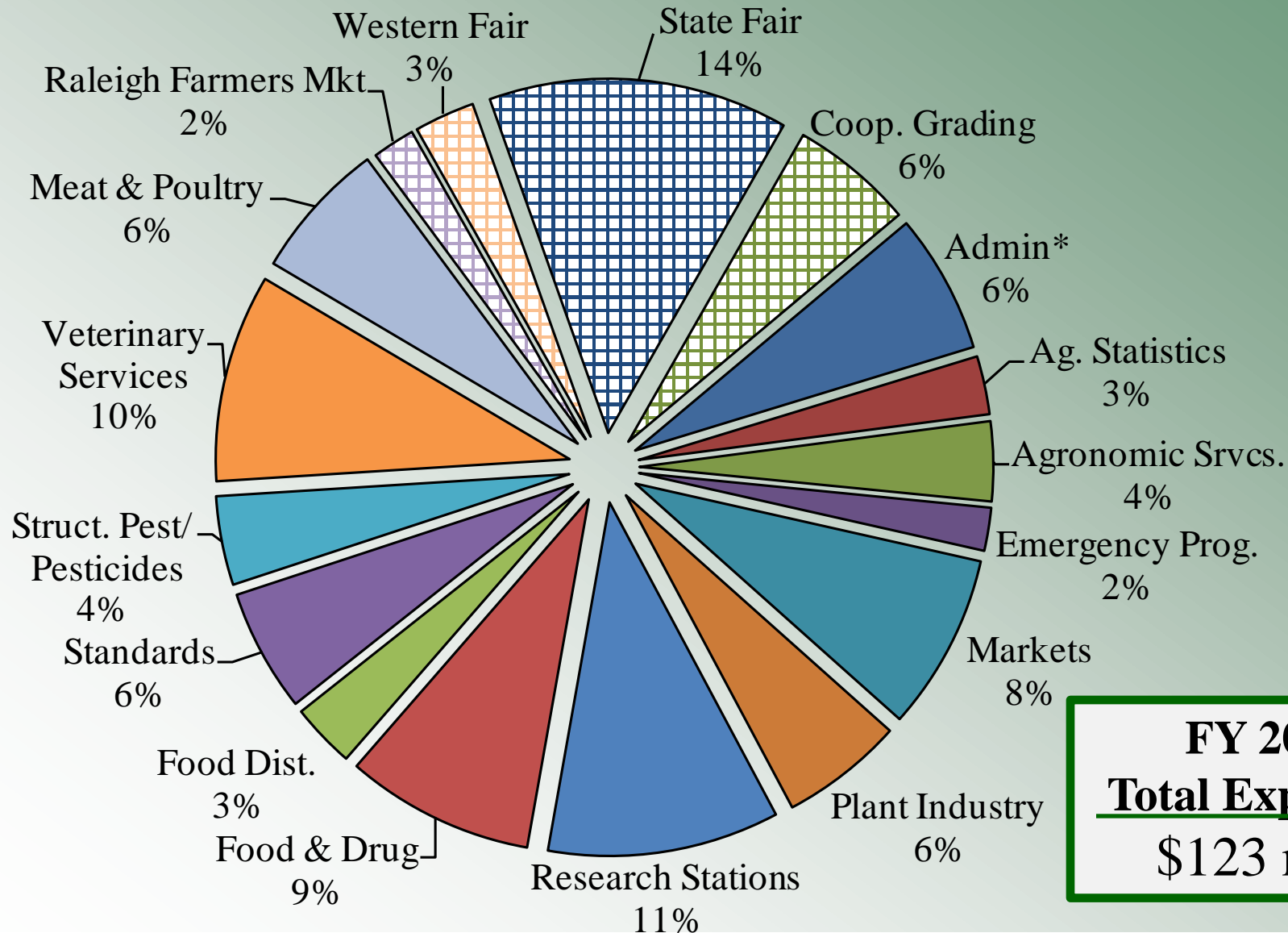
DACS Budget Basics

(\$ in Thousands)

FY 2010-11 Authorized Budget

	FTE	Expenditures	Receipts	Appropriation
Operating Budget	1,162.35	\$ 93,859	\$ 31,878	\$ 61,980
				Fund Bal. +/-
Special Funds	4.00	\$ 2,684	\$ 2,245	\$ (439)
Raleigh Farmers Market	17.33	\$ 2,391	\$ 1,590	\$ (801)
Western NC Ag Center	16.07	\$ 3,400	\$ 2,857	\$ (543)
State Fairgrounds	67.00	\$ 16,802	\$ 14,877	\$ (1,925)
Cooperative Grading	88.25	\$ 6,943	\$ 6,884	\$ (59)
Department Total	1,355.00	\$ 126,078	\$ 60,331	

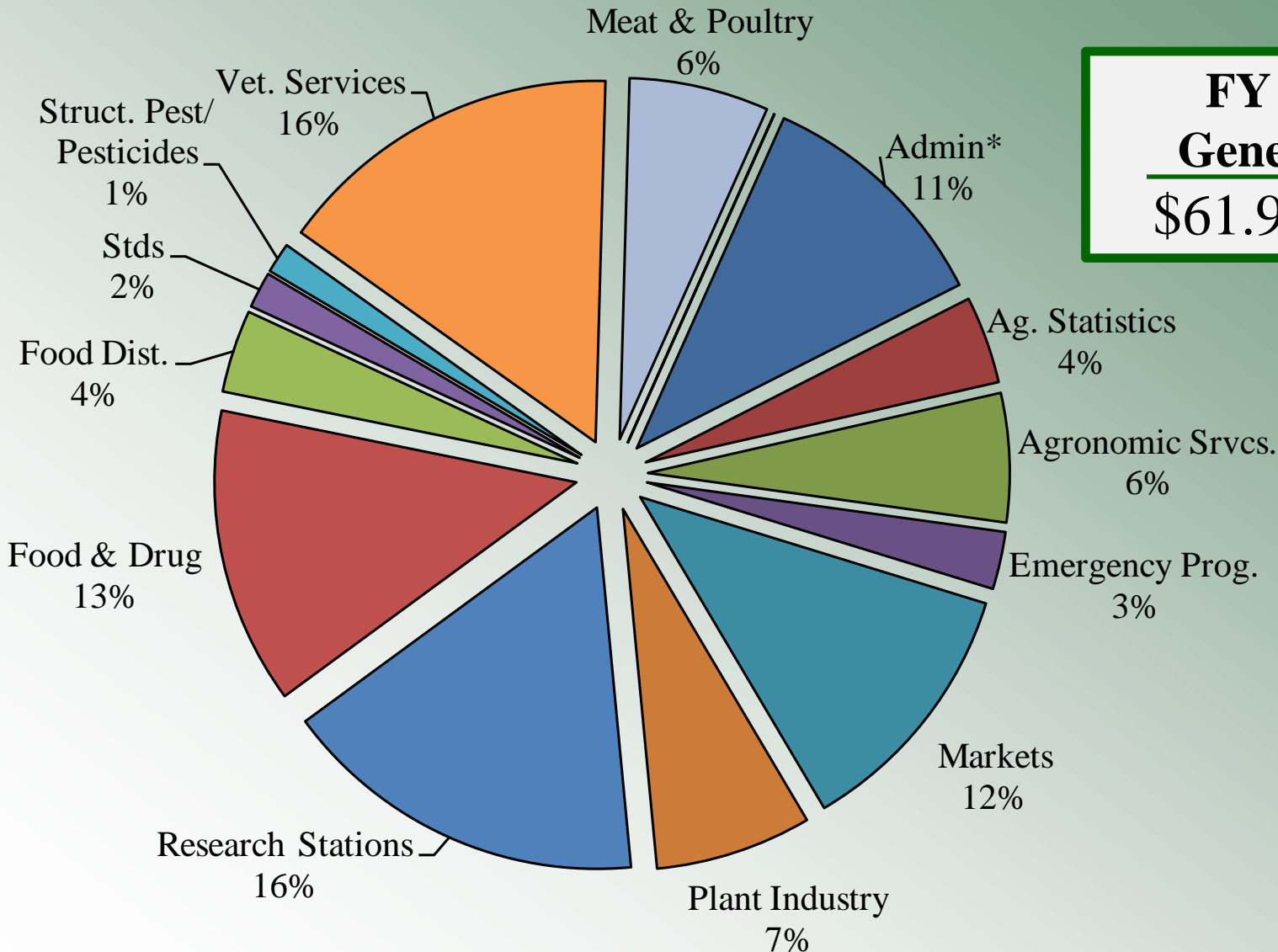
FY 2010-11 Total Expenditures



FY 2010-11
Total Expenditures
\$123 million

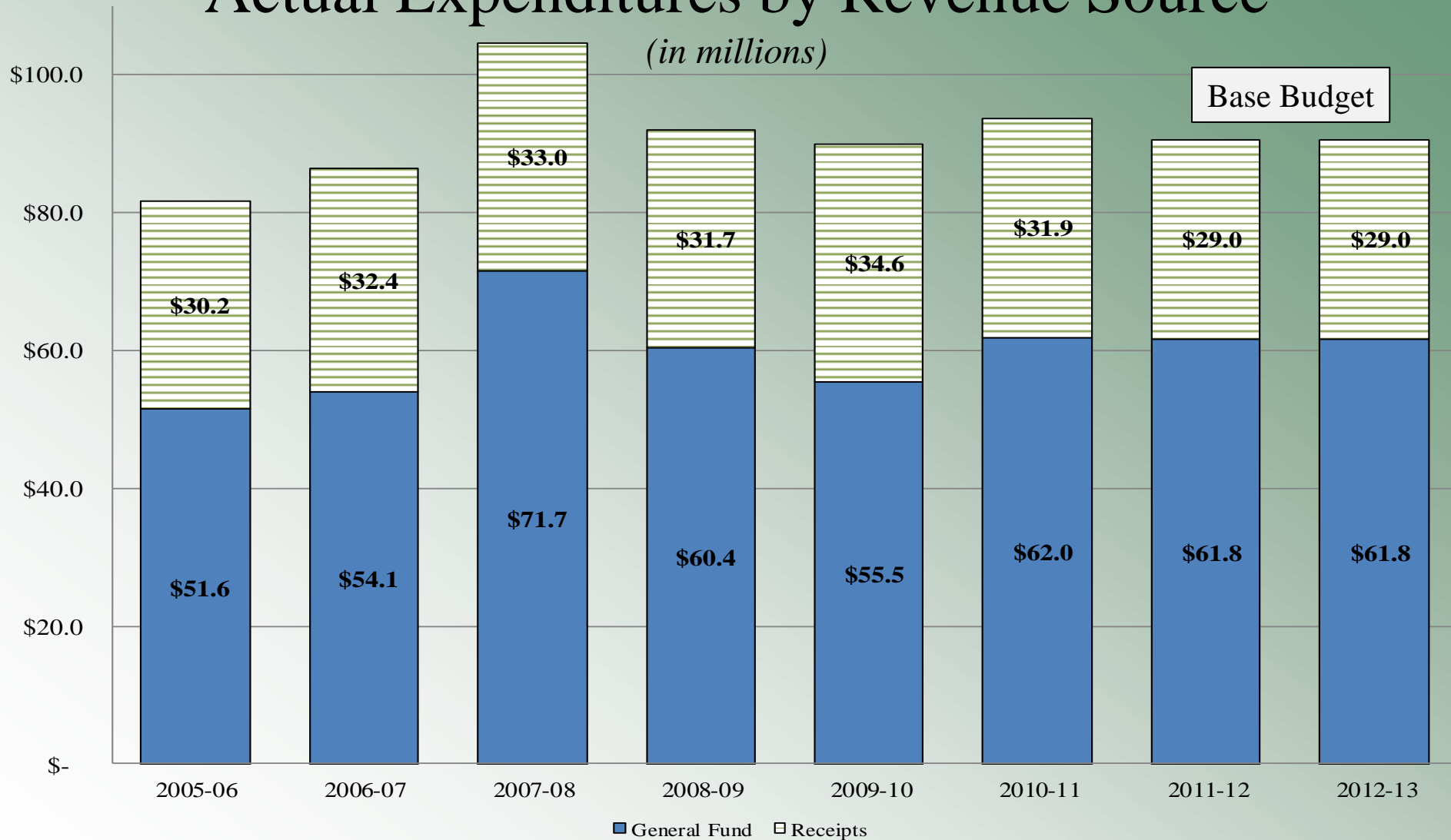
FY 2010-11 General Fund Appropriation

**FY 2010-11
General Fund
\$61.97 million**



Budget History

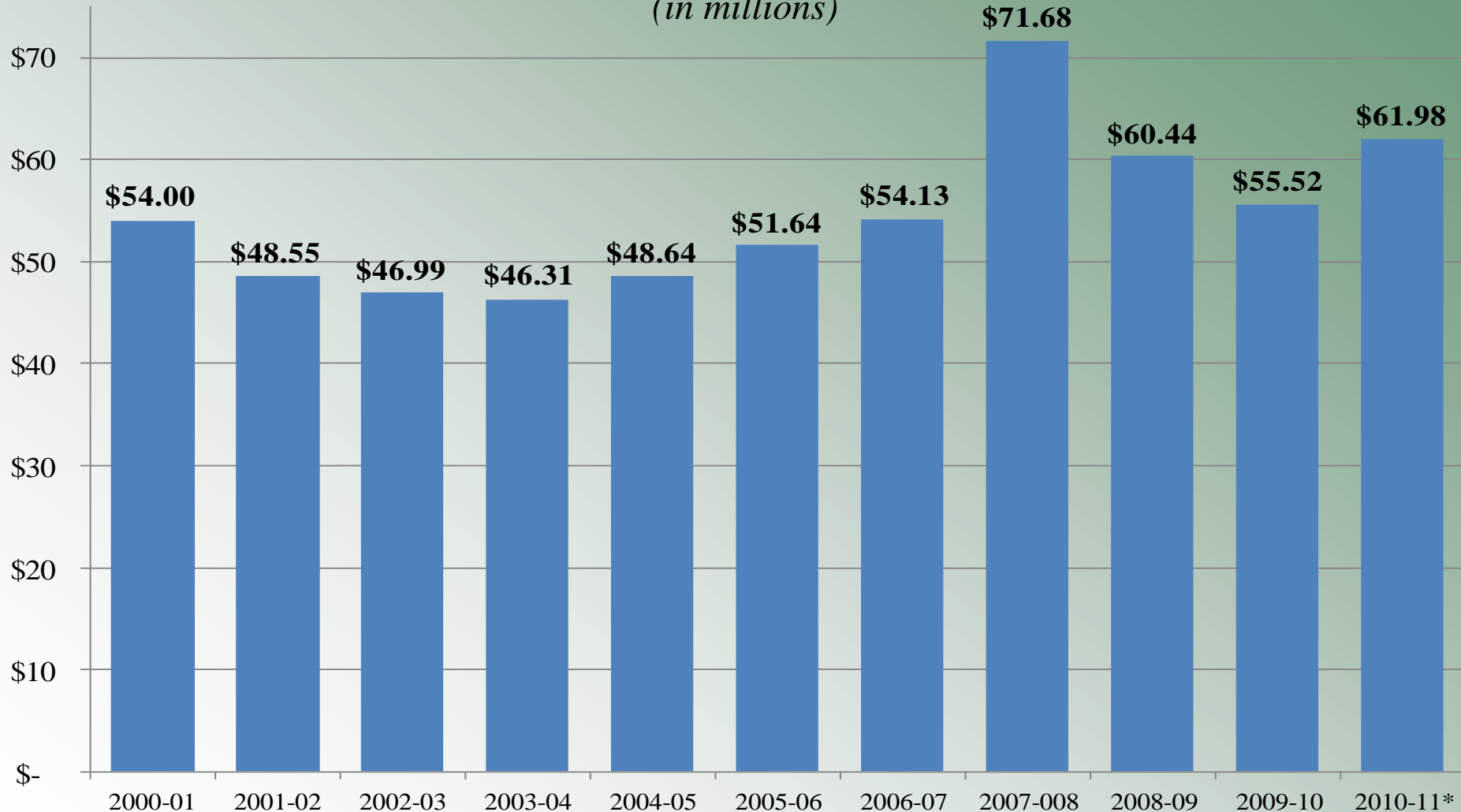
Actual Expenditures by Revenue Source



Budget History

General Fund Appropriations

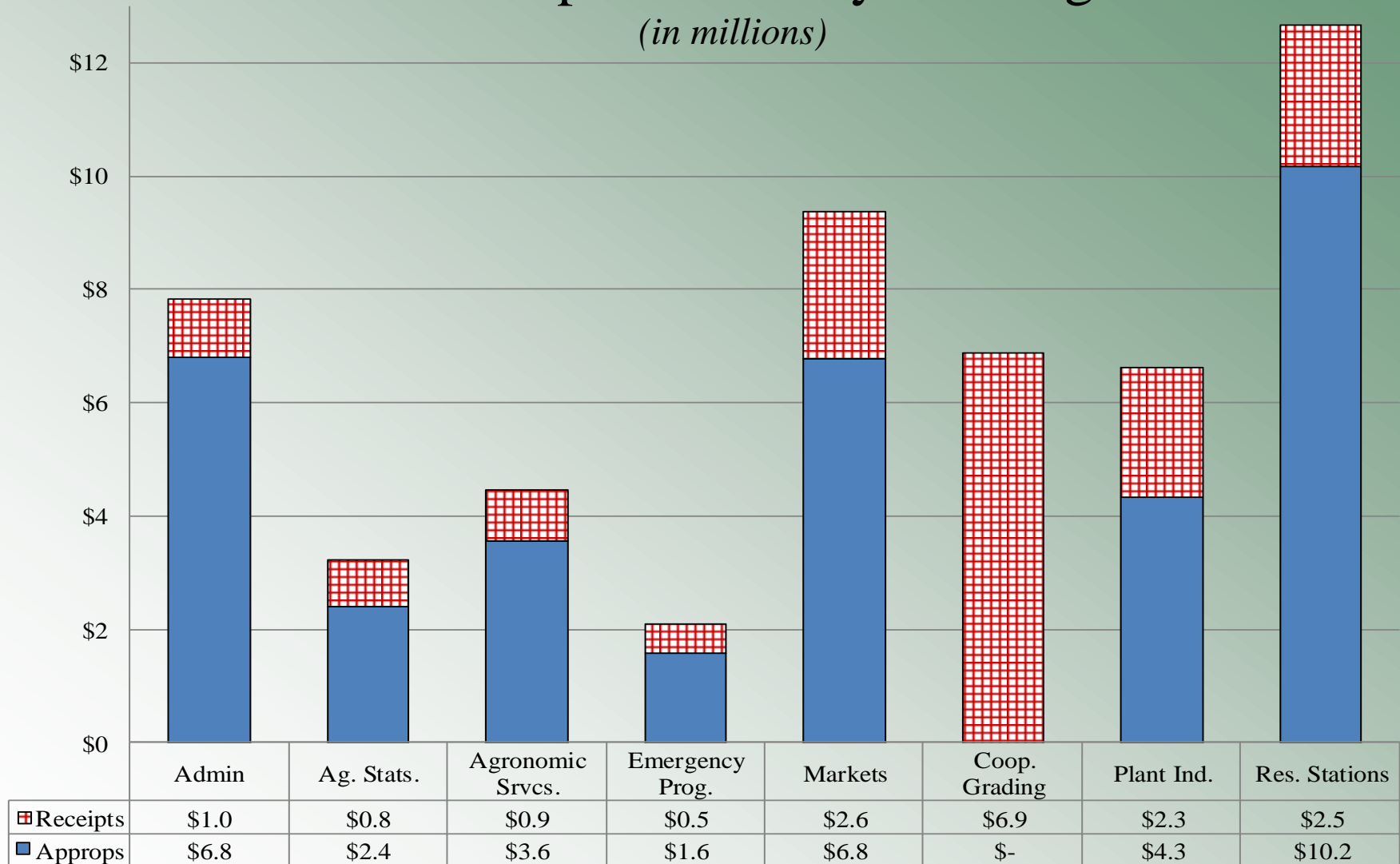
(in millions)



Agriculture Divisions

FY 2010-11 Expenditures by Funding Source

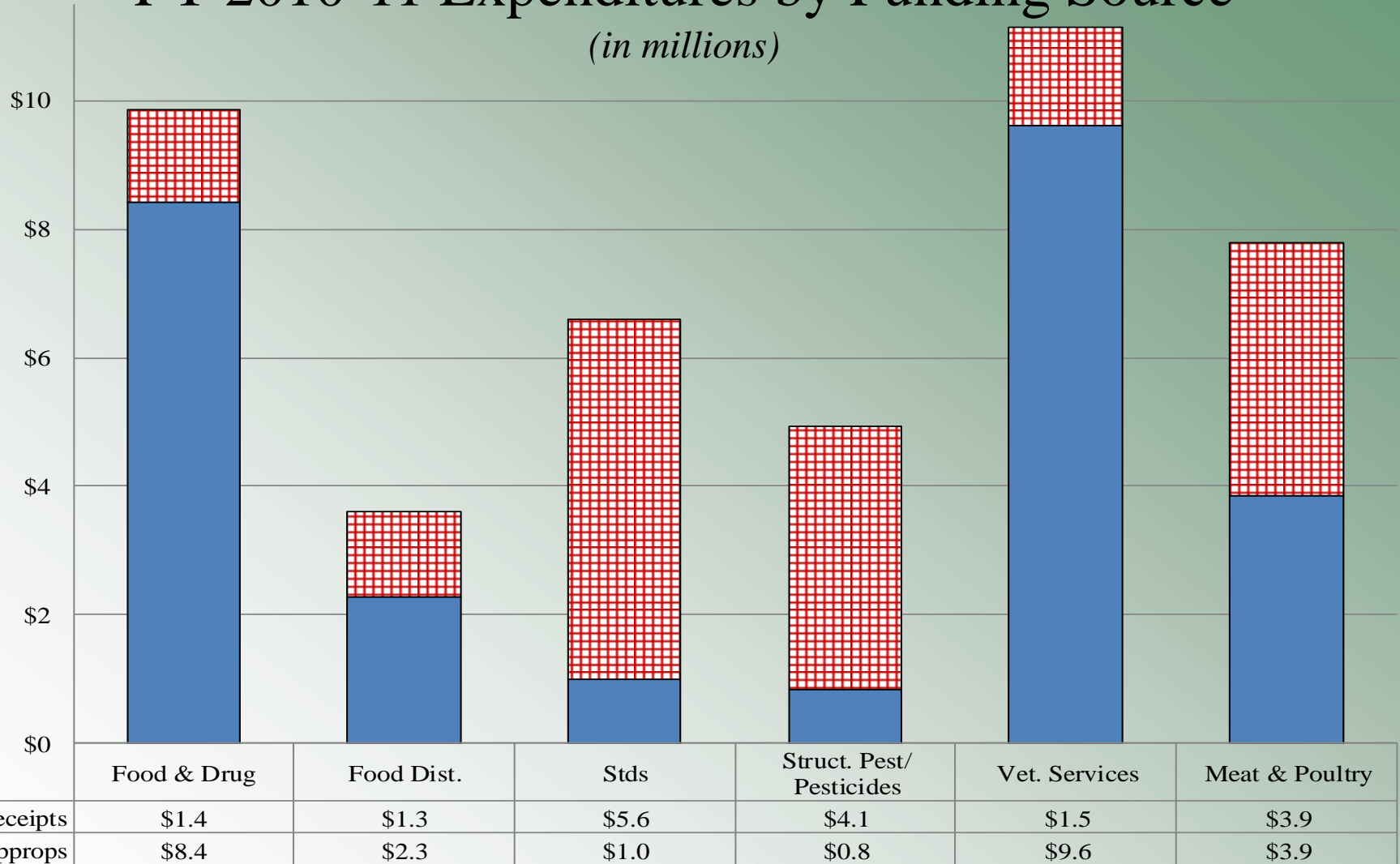
(in millions)



Consumer Services Division

FY 2010-11 Expenditures by Funding Source

(in millions)



FY 2009-11 NCGA Actions

- Eliminated Continuation Budget increases (\$1.1m)
- Eliminated vacant positions
 - 16.5 in FY 2009-10 (\$860,680)
 - 9.0 in FY 2010-11 (\$440,218)
- Reduced:
 - Operating (\$345,873)
 - Workers comp (\$75,00)
 - Temp positions (\$27,905)
 - Equipment (\$447,039 R/NR)
 - Travel (\$70,995)
 - IT budget (\$84,036)
- Fund-shifted 10.7 FTE (\$467,047)

Governor's Recommendation

- Management Flexibility Reduction (\$5.16 m, 25 FTE)
 - No details on how the Department plans to manage
 - Will require cutting program, filled positions (per Commissioner Troxler)
- Retirement Incentive Program (\$224,913, 5.6 FTE)
 - \$10k or \$20k incentive to retire
 - Assumes a 30% reduction in salary when refilling position
 - Incentive benefit paid by agency from source of salary funds
- Other Reductions discuss with appropriate division

Agency Reduction Options

- OSBM asked all agencies to submit 5-10-15% reduction options
 - DACS did not submit reduction options to OSBM
- At the request of the Subcommittee, DACS submitted reduction options for a 10% reduction
- Agency department-wide options
 - 9 vacant positions (\$518k)
 - 5 FTE through voluntary RIFs (\$290k)

Increase Requests

- 48 requests - \$5.66 M in FY 2011-12
 - 40 for inflation or other continuation increases previously allowed in the base budget
 - 8 program expansions (\$1.97 M in FY 2011-12)
 - "Got to Be NC" Promotional Campaign
 - Tobacco & New Markets International Development
 - Multi-Hazard Threat Database (MHTD)
 - Emergency Program Critical Services
 - Expansion Engineer Position - Research Stations
 - Plant Conservation Program Support
 - Plant Pest Emergency Eradication Reserve (new)
 - WinWam Pilot Program (pilot for FY 2012-13)

Additional Options

Department-wide

- Vacant Positions
 - 38 appropriated FTE / \$1.64 m in appropriated salaries
- Salary Reserve
- Specific line items (Cell phones, travel, etc.....)
- Fees
 - Few fully support services @ current fee level
- State Required Programs
 - Many programs are required by State law, not federal
 - Reduce regulation or end non-federally required programs

Administration

General Administration

Budget & Finance

Property & Construction

Human Resources

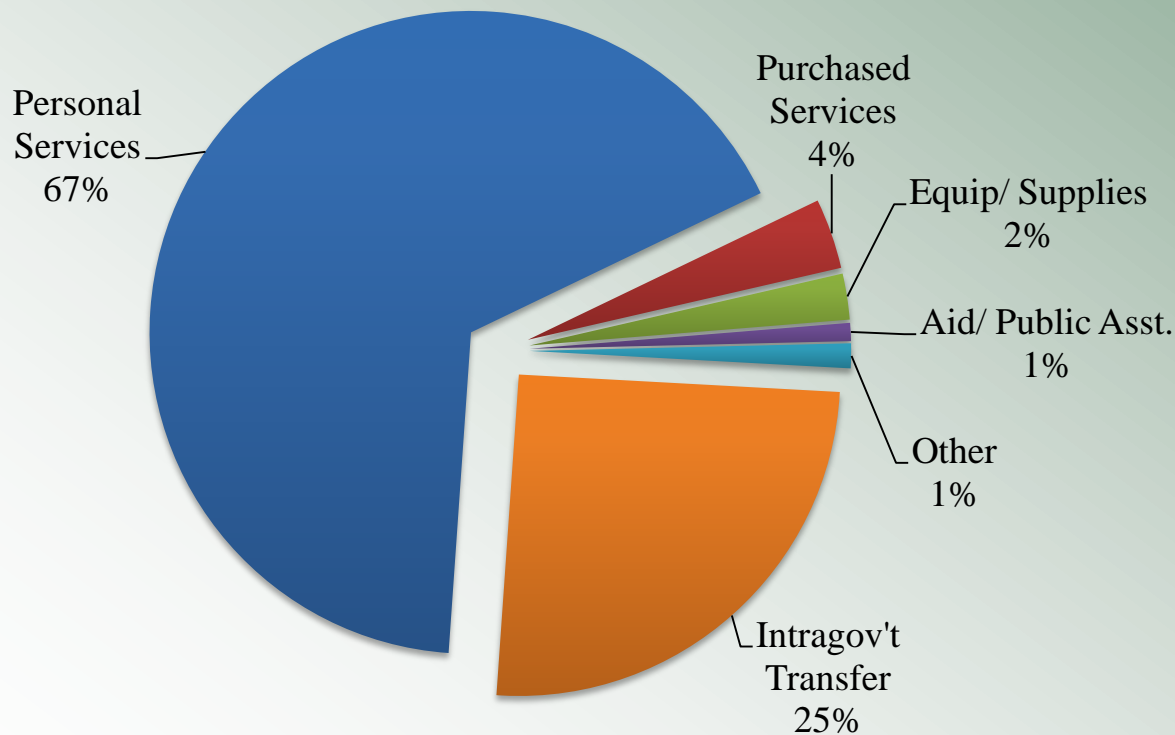
Public Affairs

Reserves (ADFPTF)

	2009-10	2010-11	2011-12
	Actual	Authorized	Continuation
Expenditures	\$ 8,436,997	\$ 7,845,158	\$ 7,839,482
Less Receipts	\$ 937,597	\$ 1,114,562	\$ 1,038,677
Appropriations	\$ 7,499,400	\$ 6,730,596	\$ 6,800,805
Positions	80.3	69	69

Administration

Expenditure of Funds
FY 2010-11



Source of Funds
FY 2010-11

General Fund:	86%
Transfers:	14%

Administration

Position Information

	PA	HR	Admin	Budget	Property	Total
Executive Mgmt			5			5
Directors	1	1		1	1	4
Asst. Directors	1				1	2
Admin			6	2	1	9
Other Employees	3	10	11	21	4	49
Total Employees	5	11	22	24	7	69

Cell Phones

# of Phones 12/2009	11
# of Phones 12/2010	12
Cost 12/2010	\$867
% General Fund	100%

Vehicles

MFM Assigned	3
<i>Department-owned</i>	
Passenger Vehicles	0
Non-passenger Vehicles	0

Administration

- FY 2009-11 General Assembly Actions
 - Reduce funding for nonprofits by 10% (\$3,564)
 - Reduce Public Affairs operating budget (\$25,000)
 - Funded Farmland Preservation (\$2 million R)
- Reversion: \$ 205,158
 - Lapsed salaries, equipment, travel, ADFPTF, etc....
- Governor's Recommendations:
 - Reduce funding for ADFPTF by \$250,000
 - Transfer remaining funds for ADFPTF to DENR's Division of Soil & Water Conservation and the Rural Center.

Administration

- Agency Reduction Options:
 - Reduce funding for ADFPTF (\$1.5 m)
- Other Options
 - Reduce funding for non-profits
 - Asst. Directors in Public Affairs & Property & Construction
 - ~ \$180,000 for salary, fringe, etc...
 - Increase transfer from Cooperative Grading for support services (~\$20,000)
 - Fees:
 - Charge for Property & Construction consulting services

Agricultural Statistics

- Design and conduct agricultural surveys
- Analyze agricultural data and estimate acreage, yield crop production, livestock inventories, etc....
- Perform graphic design and layout of publications, signs, posters, displays, and exhibits
- House departmental IT staff

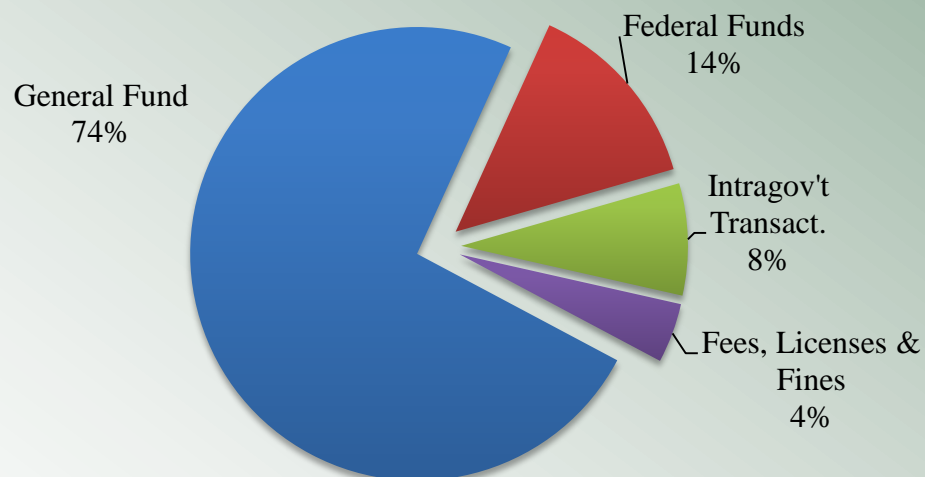
Position Information

Supervisors	2
Admin	17
Other Employees	21
<hr/>	
Total Employees	40

Agricultural Statistics

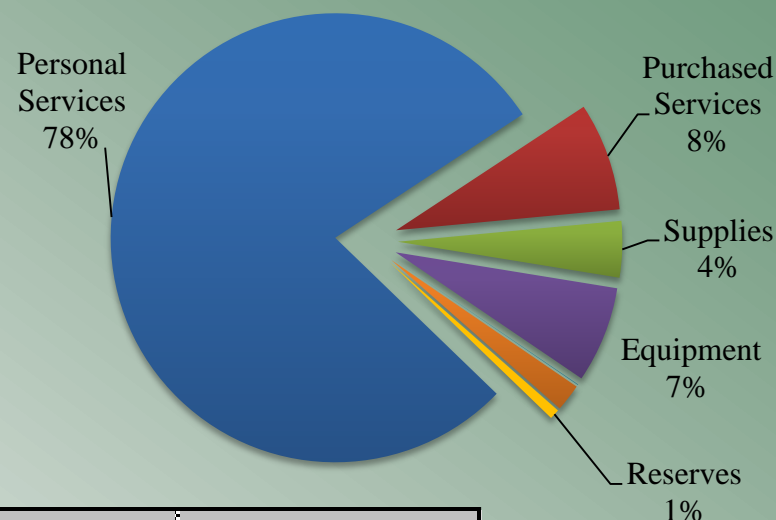
Source of Funds

FY 2010-11



Expenditure of Funds

FY 2010-11



	2009-10	2010-11	2011-12
	Actual	Authorized	Continuation
Expenditures	\$ 1,613,923	\$ 3,274,019	\$ 3,245,561
Less Receipts	\$ 487,155	\$ 850,937	\$ 822,479
Appropriations	\$ 1,126,768	\$ 2,423,082	\$ 2,423,082
Positions	25	40	40

Agricultural Statistics

Vehicles

MFM Assigned	1
<i>Department-owned</i>	
Passenger Vehicles	0
Non-passenger Vehicles	0



- Cell phones are issued to IT help desk and critical employees

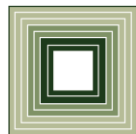
Cell Phones

# of Phones 12/2009	11
# of Phones 12/2010	16
Cost 12/2010	\$1,873
% General Fund	100%

Agricultural Statistics

- FY 2009-11 General Assembly Actions
 - General operating reduction (\$55,000)
- Reversion: \$43,678
- Governor's Recommendations:
 - 10% Mgmt Flexibility Reserve may impact this division
- Agency Reduction Options:
 - N/A
- Other Reduction Options
 - Consolidate Ag Stats design staff into Public Affairs (\$TBD)

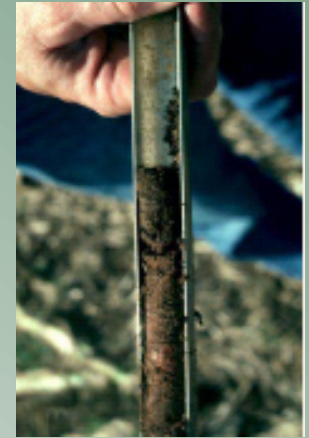
Agricultural Services Section



FISCAL RESEARCH DIVISION
A Staff Agency of the North Carolina General Assembly

Agronomic Services

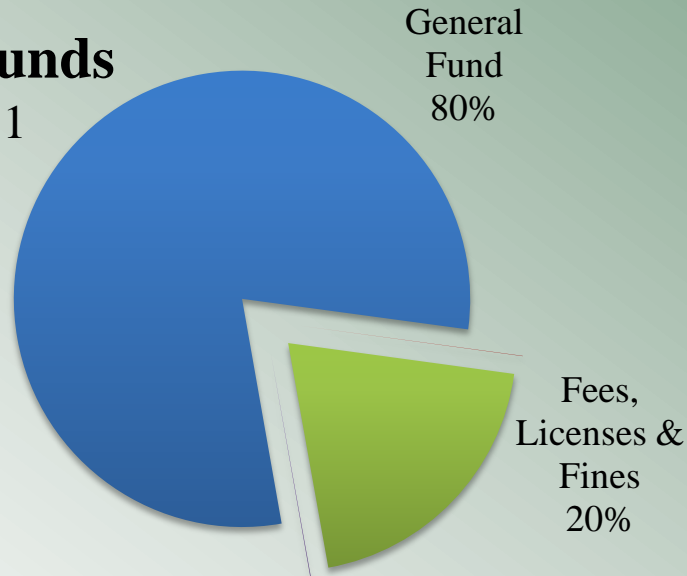
- Soil Testing
- Plant Tissue & Waste Analysis
- Nematode Assay
- Field Staff



	2009-10	2010-11	2011-12
	Actual	Authorized	Continuation
Expenditures	\$ 4,083,382	\$ 4,466,309	\$ 4,461,439
Less Receipts	\$ 722,545	\$ 897,070	\$ 896,070
Appropriations	\$ 3,360,837	\$ 3,569,239	\$ 3,565,369
Positions	58	58	58

Agronomic Services

Source of Funds
FY 2010-11



Positions

Directors	1
Supervisors	1
Admin	2
Other Employees	54
Total Employees	58

Vehicles

MFM Assigned	1
<i>Department-owned</i>	
Passenger Vehicles	16
Non-passenger Vehicles	0

Cell Phones

# of Phones 12/2009	15
# of Phones 12/2010	15
Cost 12/2010	\$1,215
% General Fund	9%

Agronomic Services

- FY 2009-11 General Assembly Actions
 - Fertilizer Assessment [\$0.25 to \$0.50/ ton] (\$375,00)
- Reversion: \$125,300
- Governor's Recommendations:
 - 10% Mgmt Flexibility Reserve may impact this division

Agronomic Services

- Agency Options
 - N/A
- Other Options
 - Fees
 - Ex: Soil Testing (\$2 m+)
 - Regional Agronomists (~\$50,000 / FTE + fringe)
 - Eliminate certain services (reduce funding accordingly)
 - Eliminate soil testing
 - Provide testing services to local governments
 - Private labs provide these same services

Emergency Programs

- Represents DACS :
 - Homeland Security issues
 - State Emergency Response
- Lead on animal disaster response and recovery efforts
- Develop & implement natural disaster plans, training, and exercises
- Model & plan for disease outbreaks
- GIS mapping

Types of Disaster

Natural

Man Made Events

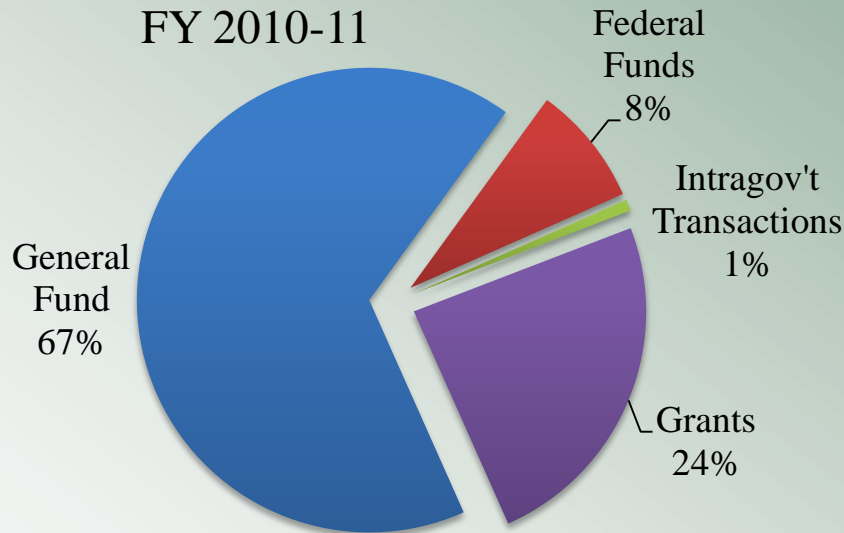
Terrorist Acts



Emergency Programs

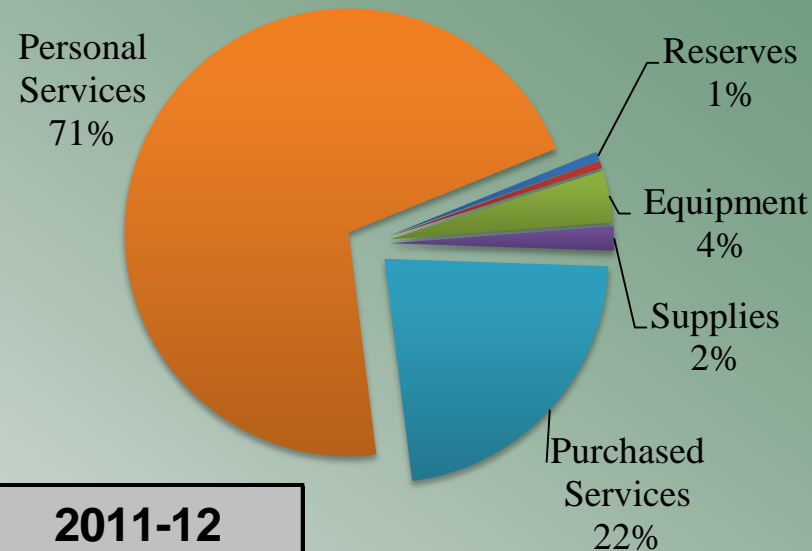
Source of Funds

FY 2010-11



Expenditures of Funds

FY 2010-11



	2009-10	2010-11	2011-12
	Actual	Authorized	Continuation
Expenditures	\$ 2,377,210	\$ 2,418,749	\$ 2,117,308
Less Receipts	\$ 1,054,121	\$ 827,970	\$ 524,632
Appropriations	\$ 1,323,089	\$ 1,590,779	\$ 1,592,676
Positions	23	15	15

Emergency Programs

Cell Phones

# of Phones 12/2009	21
# of Phones 12/2010	16
Cost 12/2010	\$1,314
% General Fund	86%

Vehicles

MFM Assigned	6
--------------	---

Department-owned

Passenger Vehicles	6
Non-passenger Vehicles	0

Positions

Directors	1
Admin	7
Other Employees	14
Total Employees	22

Emergency Programs

- FY 2009-11 General Assembly Actions
 - Reduced contract funds (\$15,000)
- Reversion: \$75,183
- Governor's Recommendations
 - 10% Mgmt Flexibility Reserve may impact this division
- Agency Options
 - N/A
- Other Options
 - No specific recommendations

Food Distribution

Contribute to the nutritional well being of North Carolinians by distributing USDA commodities to eligible Recipient Agencies

Emergency Assistance Food Program

National School Lunch Commodities

Commodities Supplemental Food Program

Federal Distribution Program on Indian Reservations

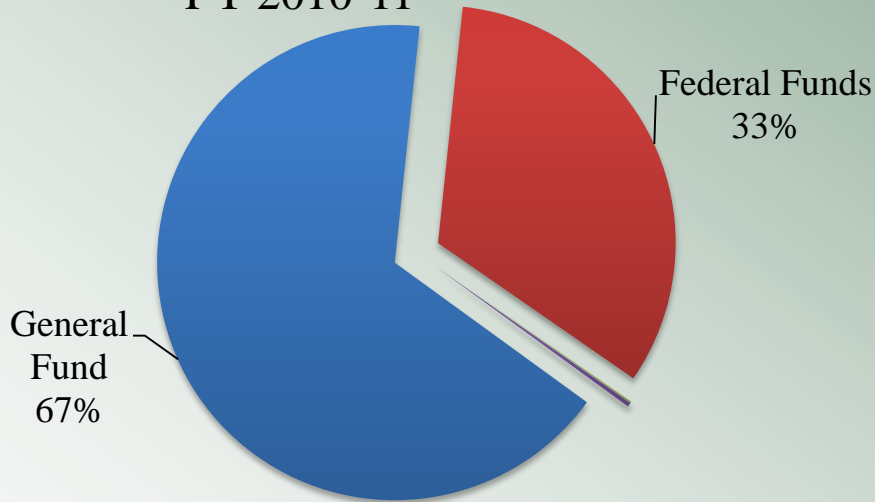
Farm to Schools Program

*Operate commodities programs out of two warehouses in **Butner** and **Salisbury***

Food Distribution

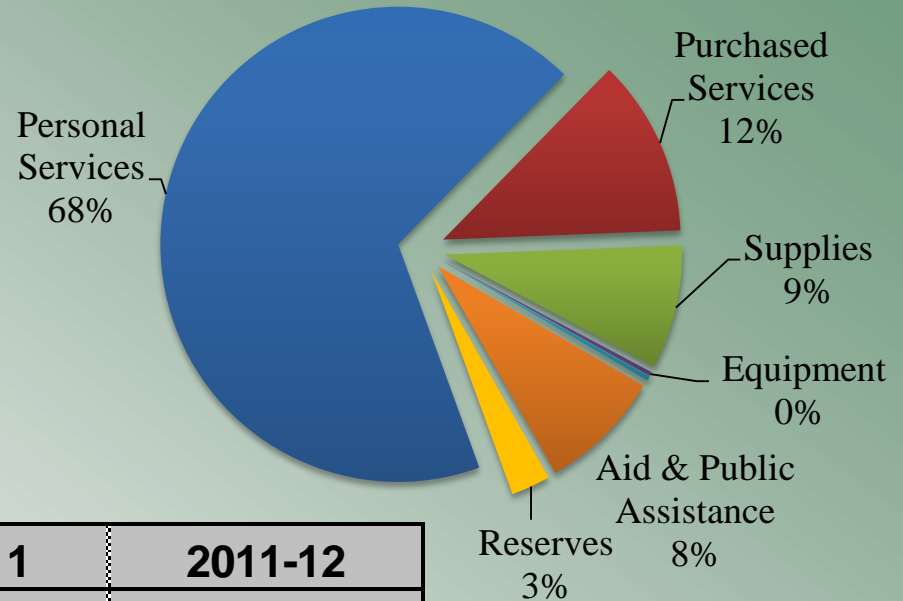
Source of Funds

FY 2010-11



Expenditures of Funds

FY 2010-11



	2009-10	2010-11	2011-12
	Actual	Authorized	Continuation
Expenditures	\$ 4,419,145	\$ 3,611,466	\$ 3,608,157
Less Receipts	\$ 3,011,348	\$ 1,321,668	\$ 1,318,359
Appropriations	\$ 1,407,797	\$ 2,289,798	\$ 2,289,798
Positions	47	47	47

Food Distribution

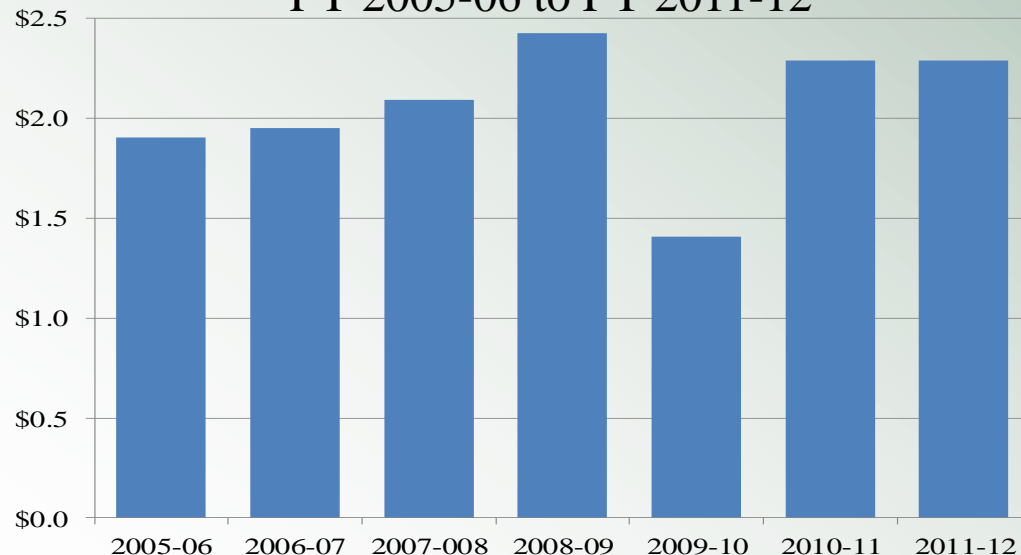
Cell Phones

# of Phones 12/2009	18
# of Phones 12/2010	24
Cost 12/2010	\$689
% General Fund	100%

Positions

Directors	1
Asst. Directors	1
Admin	11
Other Employees	34
Total Employees	47

General Fund Appropriation History FY 2005-06 to FY 2011-12



Vehicles

MFM Assigned	4
<i>Department-owned</i>	
Passenger Vehicles	67
Non-passenger Vehicles	25

Food Distribution

- FY 2009-11 General Assembly Actions
 - Fund-shifted diesel budget to federal receipts (\$50,000)
- Reversion: \$52,465
- Governor's Recommendations:
 - 10% Mgmt Flexibility Reserve may impact this division
- Agency Options
 - Fund-shift FTE to receipts (\$48.6k)
- Other Options
 - Span of Control -- 8 true admin staff for 41 employees
 - Eliminate one admin assistant (~\$35,000 in salary + fringe)

Markets

- General Marketing
 - Marketing Programs & Business Assistance
 - Agritourism
 - 5 Farmers Markets
 - 3 Agricultural Centers
- Western NC Fairgrounds
- State Fairgrounds
- Raleigh Farmers Market
- Cooperative Grading



Markets

Domestic Marketing

- Goodness Grows Program
- Got to Be NC Campaign
- Flavors of NC Shows
- Food Distribution Signs

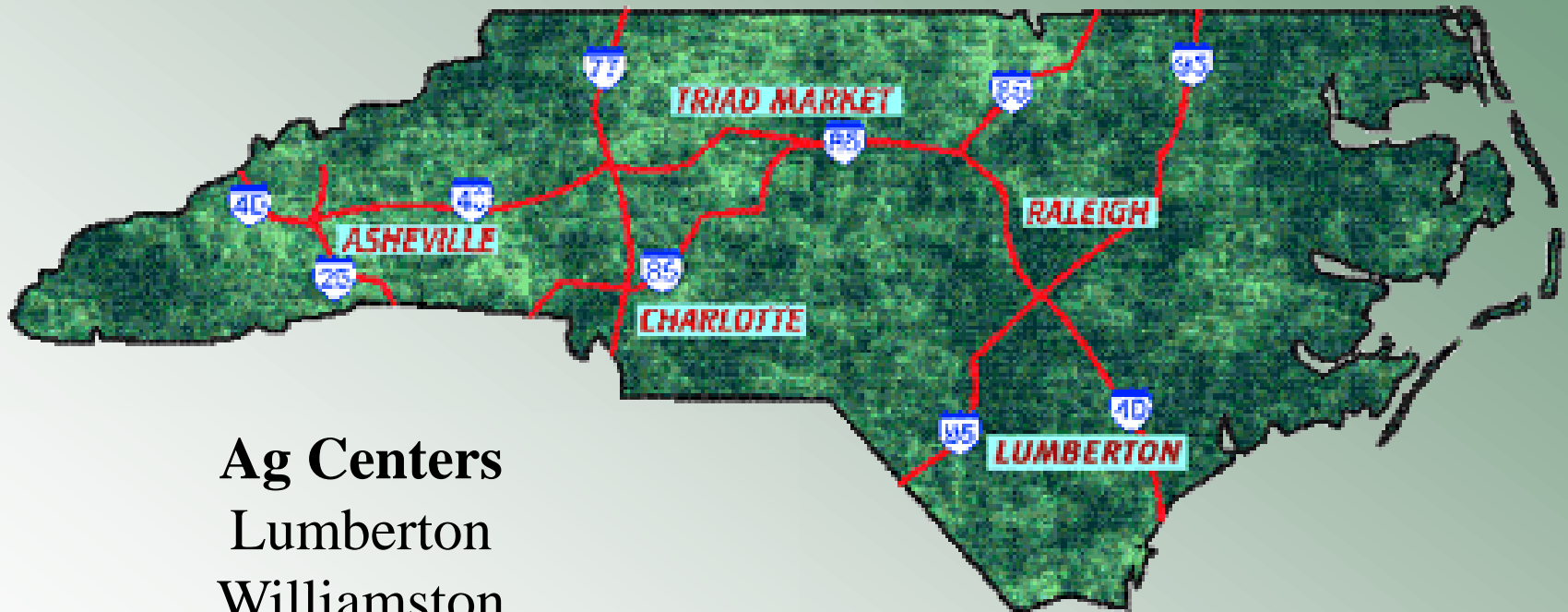


International Marketing

- Partners with Commerce
- 3 Marketing Specialists



Farmers Markets and Ag Centers



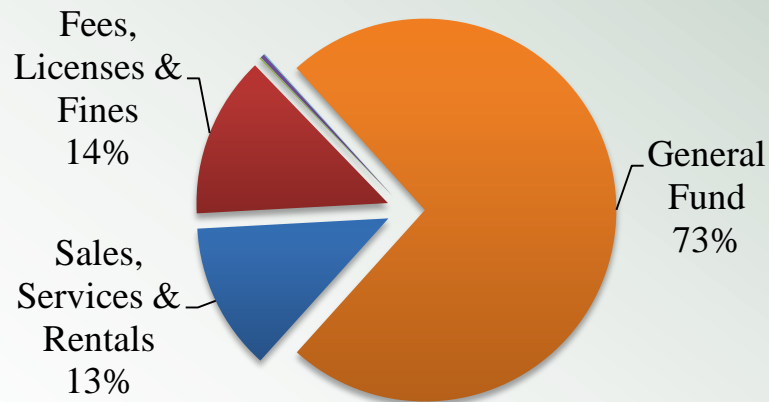
Ag Centers
Lumberton
Williamston
Fletcher

Markets

	2009-10	2010-11	2011-12
	Actual	Authorized	Continuation
Expenditures	\$ 9,980,207	\$ 9,920,568	\$ 9,394,443
Less Receipts	\$ 3,477,183	\$ 2,642,024	\$ 2,607,200
Appropriations	\$ 6,503,023	\$ 7,278,544	\$ 6,787,243
Positions	110	106	106

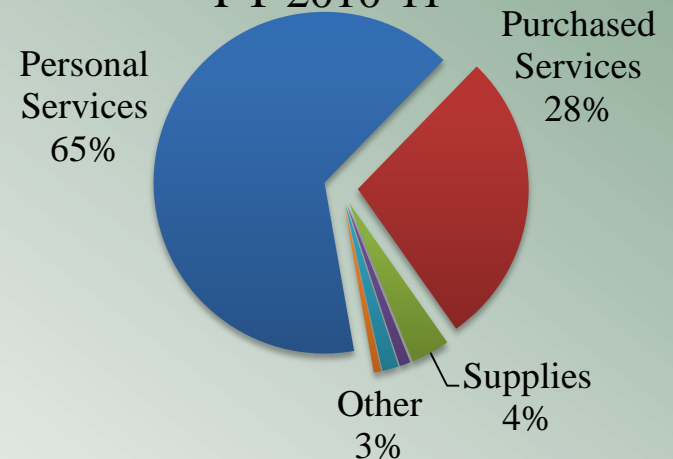
Source of Funds

FY 2010-11



Expenditures of Funds

FY 2010-11



Cooperative Grading

- Food Grading
 - Identify and measure product quality
 - Provide grade for various products
- Food Safety Audit Program
 - Certify that meet food safety guidelines
- Regulatory
 - Monitor grade, type, weight, size of various products



Vehicles	
MFM Assigned	13
<i>Department-owned</i>	
Passenger Vehicles	34
Non-passenger Vehicles	0

Other Enterprise Funds

Fully receipt-supported, revenue producing

Must maintain own facilities (no R&R)

State Fairgrounds

FY 2010-11 Authorized

Expenditures:	\$16.8 m
Receipts:	\$14.9 m
+/- Balance:	\$1.9m
FTE:	67

Raleigh Farmers Market

FY 2010-11 Authorized

Expenditures:	\$2.4m
Receipts:	\$1.6m
+/- Balance:	(\$0.8m)
FTE:	17.33

Western Fairgrounds

FY 2010-11 Authorized

Expenditures:	\$3.3 m
Receipts:	\$2.8 m
+/- Balance:	(\$0.5m)
FTE:	16

Markets*

Positions

Cell Phones

# of Phones 12/2009	77
# of Phones 12/2010	83
Cost 12/2010	\$4,233
% General Fund	53%

Vehicles

MFM Assigned	22
<i>Department-owned</i>	
Passenger Vehicles	104
Non-passenger Vehicles	43

Directors	1
Asst. Directors	5
Supervisors	0
Admin	29
Other Employees	189
Total Employees	224

* Includes staff within the Markets Division, Cooperative Grading, Raleigh Farmers Market, and Western Fair, does not include State Fair

Markets

- FY 2009-11 General Assembly Actions
 - Reduce funds for Farmers Markets (\$90,000)
 - Increase fees at Farmers Markets (\$175,000)
 - Fund Got to Be NC (\$300k/ \$250k NR)
 - Fund International Trade efforts (\$200k NR)
- Reversion: \$172,070
- Governor's Recommendations:
 - 10% Mgmt Flexibility Reserve may impact this division

Markets

- Agency Options
 - Eliminate General Fund support for the Piedmont Farmers Market (\$22k)
- Other Options
 - Develop plan to make Farmers Markets self-supporting
 - Consolidate all State tourism activities into Commerce's Tourism Division (1 FTE, \$TBD)
 - Consolidate staff that work on publications into Public Affairs so they can better serve all Divisions
 - ~\$38,000 + fringe per artist illustrator

Research Stations

To manage crop and livestock facilities...for agricultural research to make farming more efficient, productive, and profitable, while maintaining a sound environment and providing consumers with safe and affordable products

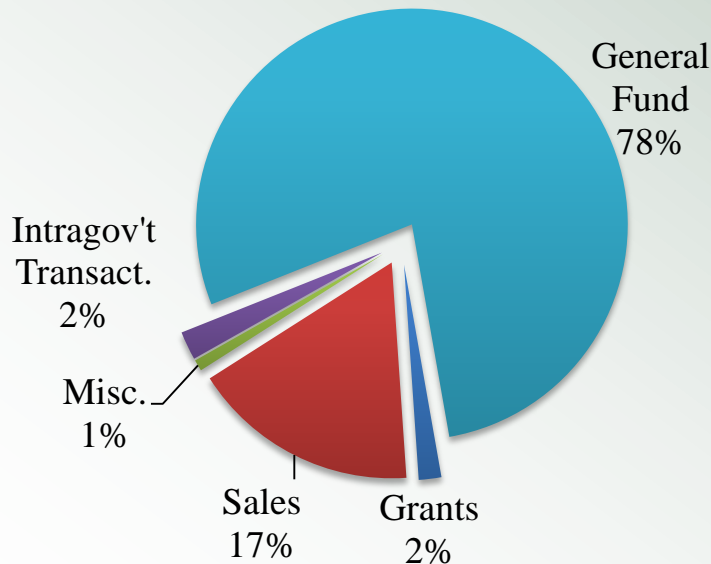
- DACS owns 12 research stations & 5 forestry tracts
 - 6 more research stations owned by NCSU, operated by DACS
 - All research conducted by university professors
 - Receipts from 9,644 acres of forest used for capital improvements

Research Stations

	2009-10	2010-11	2011-12
	Actual	Authorized	Continuation
Expenditures	\$ 11,955,461	\$ 13,006,206	\$ 12,687,738
Less Receipts	\$ 2,437,671	\$ 2,827,550	\$ 2,494,436
Appropriations	\$ 9,517,790	\$ 10,178,656	\$ 10,193,302

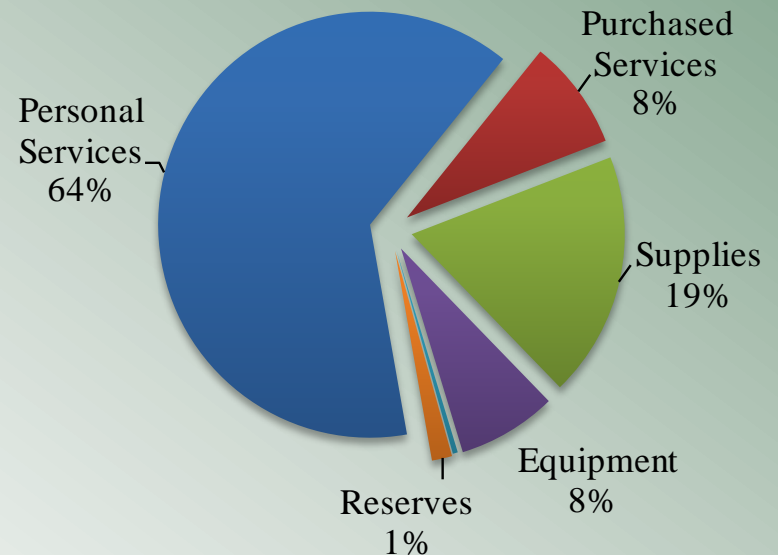
Source of Funds

FY 2010-11



Expenditure of Funds

FY 2010-11



Research Stations

Vehicles

MFM Assigned 0

Department-owned

Passenger Vehicles 143

Non-passenger Vehicles 302

Cell Phones

of Phones 12/2009 6

of Phones 12/2010 6

Cost 12/2010 \$413

% General Fund 100%

Positions

Directors 1

Asst. Directors 1

Supervisors 32

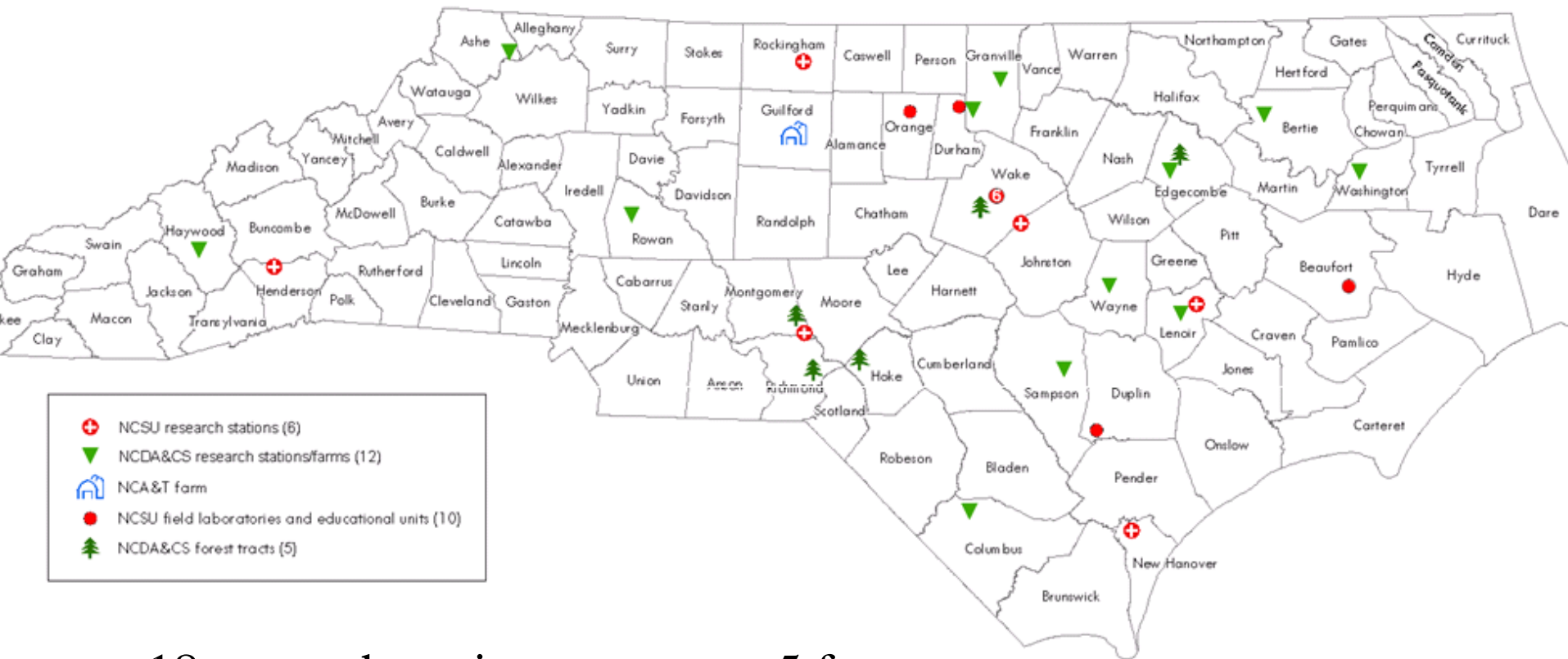
Admin 14

Other Employees 115

Total Employees 163

Research Stations

PED Study



18 research stations

10 field labs (NCSU)

5 forest tracts

1 university farm (NCA&T)

Research Stations

PED Study

- Released May 2008
- Findings:
 - There is no strategic plan (*one adopted in 2009*)
 - Facilities struggle to meet research needs
 - Other states operate fewer facilities
 - Forest tracts are not used for research
 - Some stations appear to be under-utilized
 - Data insufficient to determine ROI

Research Stations

PED Study

- Recommendations
 - Consolidate research station mgmt
 - Potentially close 7 stations with < 40 projects (\$3.2 m R)
 - Establish an advisory board to provide leadership/ vision
 - Conduct a comprehensive scientific review of the system
 - Evaluate needs, capacity, and future trends
 - *Consider* PED's consolidation recommendations
 - Increase accountability in the system:
 - Develop an annual reports that provides:
 - Resource utilization
 - Research outcomes and economic impact

Research Stations

PED Study

- Response:
 - Received responses from DACS, NCSU, NCA&T
 - Neither DACS nor NCSU supports closures
 - Developed a strategic plan, completed in May 2009
- No NCGA actions related to the PED study in the three sessions since its release

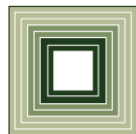
Research Stations

- FY 2009-11 General Assembly Actions
 - No specific change in FY 2009-11
- Reversion: \$337,934
- Governor's Recommendations:
 - Consolidate Research Station into NCSU (\$8.7 million)
 - Reduce Operating Funds through Consolidation (\$1.5 million)

Research Stations

- Agency Options
 - N/A
- Other Options
 - Require study of economic, agricultural, scientific impact of each station
 - Consider consolidating into DACS
 - Require researchers to provide funds from research grants to support operations (\$TBD)

Consumer Protection Section



FISCAL RESEARCH DIVISION
A Staff Agency of the North Carolina General Assembly

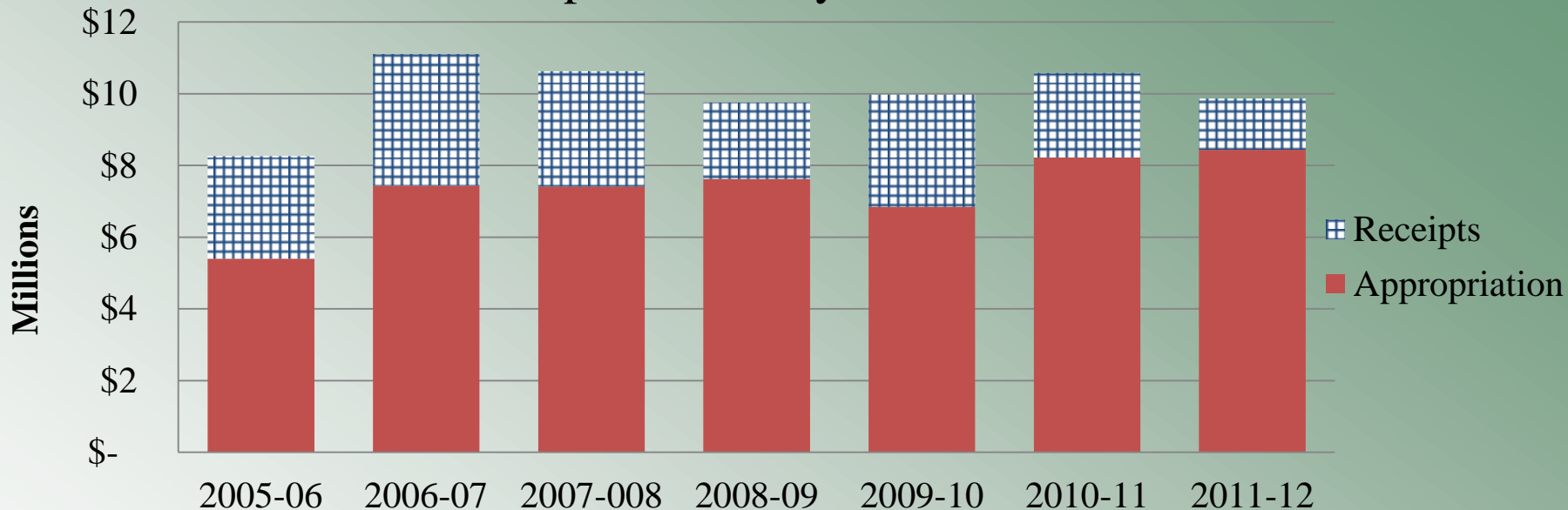
Food & Drug Protection

Regulates firms engaged in storage, manufacturing, production, distribution of food, dairy, eggs, commercial animal feed, medical gas facilities, and drugs

- Food, Drug, & and Cosmetic Section
 - Inspects manufacturers, wholesalers, & distributors
- Commercial Animal Feed Section
 - Inspects feed mills, rendering plants, distributors
 - Chemical analysis of animal feed
- Commercial Fertilizer Section

Food & Drug

Total Expenditures by Fund Source



	2009-10	2010-11	2011-12
	Actual	Authorized	Continuation
Expenditures	\$ 9,976,395	\$ 10,579,649	\$ 9,864,886
Less Receipts	\$ 3,129,928	\$ 2,356,732	\$ 1,430,922
Appropriations	\$ 6,846,467	\$ 8,222,917	\$ 8,433,964

Food & Drug Protection

Cell Phones

# of Phones 12/2009	62
# of Phones 12/2010	62
Cost 12/2010	\$3,311
% General Fund	55%

Vehicles

MFM Assigned	33
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Department-owned

Passenger Vehicles	19
Non-passenger Vehicles	0

Positions

Directors	1
Asst. Directors	2
Supervisors	6
Admin	3
Other Employees	134
Total Employees	146

Food & Drug

- FY 2009-11 General Assembly Actions
 - Over-realized receipts budgeted for Spay/ Neuter (\$250,000)
 - Eliminated the NC Egg Law program (\$151,481)
 - At least half of equipment reduction taken here (\$223,000)
 - Studied consolidation of milk programs
- Reversion: \$315,941
- Governor's Recommendations:
 - 10% Mgmt Flexibility Reserve may impact this division

Food & Drug

- Agency Options
 - N/A
- Other Options
 - Consolidate Grade “A” Milk program with Dairy Program
 - Evaluated in a study last year, did not merge
 - Transfer grocery stores inspection to local health departments (>\$1 M, FTE TBD)
 - Fees
 - Drug Registration & License Fees (\$195,000) – updated 1988
 - Dairy Fees (1989), Antifreeze registration (1975), etc.

Meat & Poultry

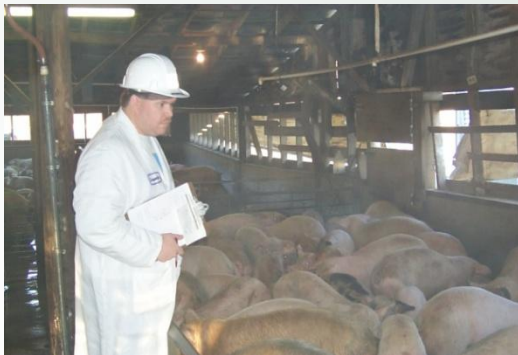
To enforce state and federal laws designed to ensure the meat and poultry products sold to consumers are wholesome, unadulterated and properly labeled

One of 27 state inspection programs

Cooperative Agreement with USDA

50% Federal reimbursement of base expenditures

100% of overtime expenditures for certain inspectors



Meat & Poultry

State Inspection – 74 Establishments

- May sell products in NC only

Talmadge-Aiken (TA) – 100 Establishments

- May ship products outside NC

Custom Plant – 21 Establishments

- Process for individual's own use

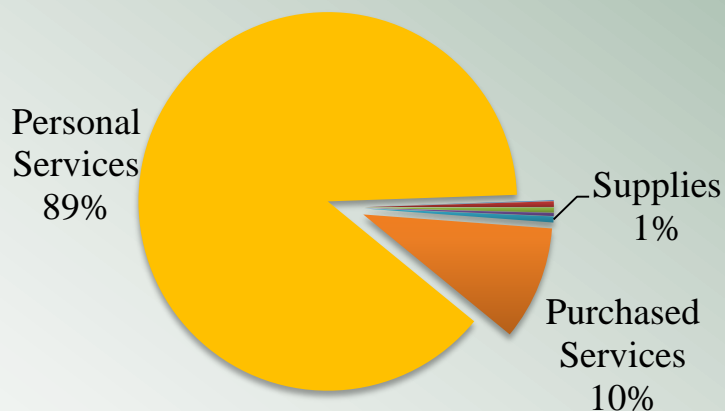
Meat Handlers – 640 + Establishments

- Produce and package product on site for sale
- Primary local farmers (440 of 640 are farmers)

Meat & Poultry

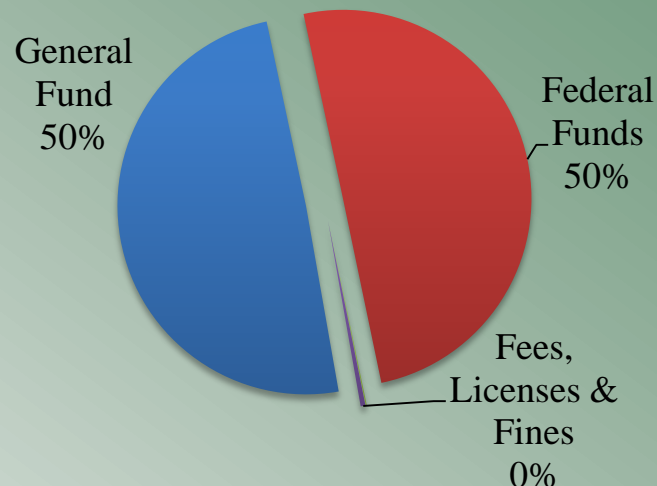
Expenditure of Funds

FY 2010-11



Source of Funds

FY 2010-11



	2009-10	2010-11	2011-12
	Actual	Authorized	Continuation
Expenditures	\$ 7,279,442	\$ 7,815,717	\$ 7,790,074
Less Receipts	\$ 4,013,613	\$ 3,952,646	\$ 3,933,396
Appropriations	\$ 3,265,829	\$ 3,863,080	\$ 3,856,678

Meat & Poultry

Positions

Directors	1
Asst. Directors	1
Supervisors	9
Admin	4
Other Employees	106
Total Employees	121

Vehicles

MFM Assigned 43

Department-owned

Passenger Vehicles 0

Non-passenger Vehicles 0

Cell phones are issued to management, supervisory, veterinary, compliance and training staff only

Cell Phones

of Phones 12/2009 30

of Phones 12/2010 30

Cost 12/2010 \$1,220

% General Fund 50%

Meat & Poultry

- FY 2009-11 General Assembly Actions
 - No specific actions
- Reversion: \$89,067
- Governor's Recommendations:
 - 10% Mgmt Flexibility Reserve may impact this division
- Agency Options
 - Transfer inspection activities to Feds (\$3.45m)
 - All plants currently inspected to the same level

Meat & Poultry

- Other Options
 - Increase fee
 - Increase overtime from \$19 to \$30/ hour (~\$50,000)
 - Last changed in 1989
 - USDA charges ~\$60
 - Fees for Meat Handler license (~\$10,000)

Any fee offsets federal match funds

Plant Industry

Seed Protection

License Seed Dealers
Regulates Seed Labeling
Seed Testing
NC Seed Board



Fertilizer Section

License Manufacturers
Register Products
Sample Products &
Review Labeling
Issue stop sale notices

Plant Protection

Plant Pest Quarantine
Apiary Services
Export Certification
Biological Control
Plant Conservation



**Primarily Regulatory
Programs required
by State and/ or
federal law**

Plant Industry

Plant Conservation Program

- Identify endangered, threatened or special concern plants
- Determine if limits or regulations on a plant are needed
- Develop, establish and coordinate conservation programs for endangered species and threatened species of plants
- Plant Conservation Board & Scientific Committee

164 protected plant list

27 of these are federally protected

19 plant preserves

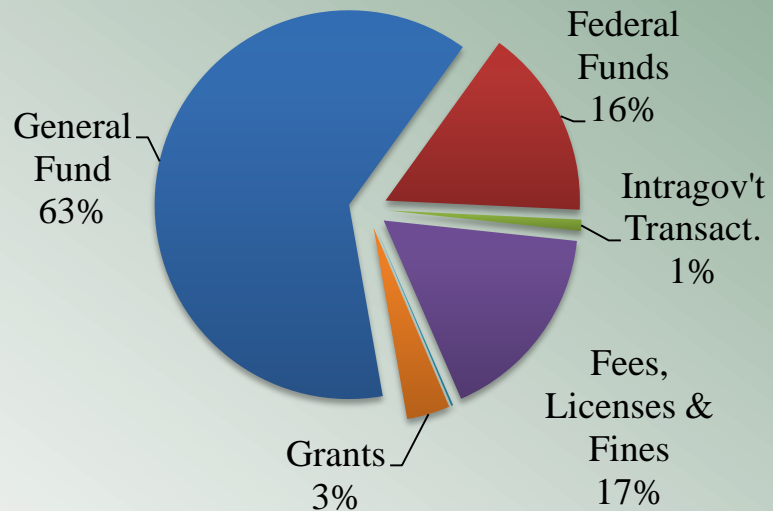
11,353 acres



Plant Industry

	2009-10	2010-11	2011-12
	Actual	Authorized	Continuation
Expenditures	\$ 7,103,182	\$ 6,903,697	\$ 6,643,123
Less Receipts	\$ 3,202,186	\$ 2,573,179	\$ 2,311,870
Appropriations	\$ 3,900,996	\$ 4,330,518	\$ 4,331,253
Positions	91.75	90.75	90.75

Source of Funds
FY 2010-11



Plant Industry

Positions

Directors	1
Admin	3
Other Employees	87
<hr/>	
Total Employees	91

Maintain 88 department owned vehicles for temporary staff hired during the growing season

Cell phones are officially assigned to most professional Plant Industry Division staff.

Vehicles

MFM Assigned	14
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Department-owned

Passenger Vehicles	119
Non-passenger Vehicles	129

Cell Phones

# of Phones 12/2009	71
# of Phones 12/2010	70
Cost 12/2010	\$2,493
% General Fund	53%

Plant Industry

- FY 2009-11 General Assembly Actions
 - Increase Phytosanitary fee (tied to federal fee) (\$20,000)
 - Increase plant inspection fees (\$58,303)
- Reversion: \$ 119,565
 - Primarily from “other expenses” and contractual services
- Governor’s Recommendations:
 - 10% Mgmt Flexibility Reserve may impact this division

Plant Industry

- Agency Options:
 - N/A
- Other Options
 - Budget over-realized receipts in Seed & Fertilizer (~\$50,000)
 - Fees
 - Many have not been changed in 20+ years
 - Ex: Fertilizer license/ registration fees (1989) (\$25k)

Standards



- Four Section
- All regulatory programs
 - Required by the State
 - G.S. 81A, Weights and Measures Act of 1975
 - G.S. 119, Gasoline and Oil Inspection Law
 - The metrology lab performs some non-regulatory functions

	2009-10	2010-11	2011-12
	Actual	Authorized	Continuation
Expenditures	\$ 6,140,406	\$ 6,889,996	\$ 6,598,101
Less Receipts	\$ 5,161,387	\$ 5,889,591	\$ 5,597,694
Appropriations	\$ 979,019	\$ 1,000,405	\$ 1,000,407

Standards

Motor Fuel Lab

- Enforces quality standards:
 - Motor oil & fuels, Biodiesel & E-85, Heating fuels
- Mobile trucks for on-site testing
- Comprehensive testing lab

LP-Gas Section

- Inspects commercial & residential LP-Gas installations and transportation vehicles



Standards

Measurement Section

- Inspects weights & measurements devices
- Inspects accuracy rate of price scanning systems
- Inspects packaged goods for weight compliance

Standards Laboratory (Metrology Lab)

- Calibrates devices to standards and certifies weights
- Licenses petroleum device technicians
- Tests grain moisture meters, scales, thermometers

Standards Division

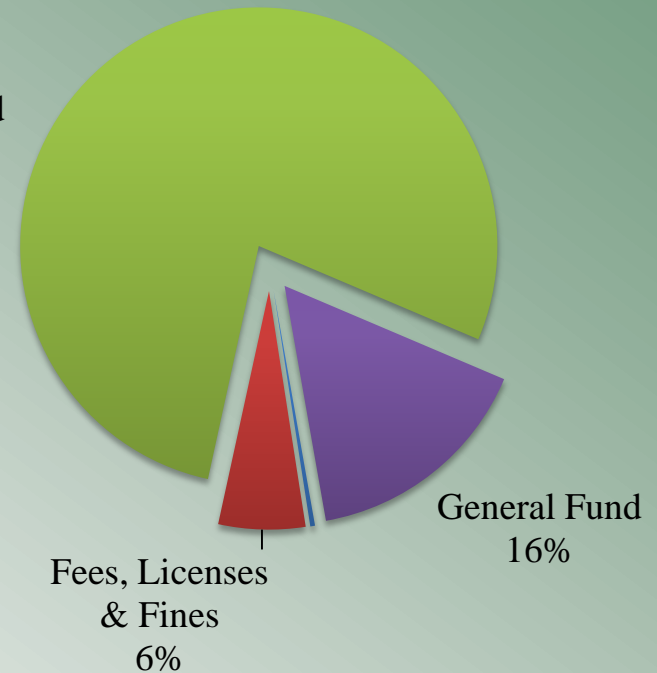
Positions

Directors	1
Supervisors	4
Admin	6
Other Employees	85
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Total Employees	96

Source of Funds

FY 2010-11

Highway Fund
Transfer.
78%



Standards

- Director allocates cell phones to:
 - Most field staff,
 - All field supervisors,
 - Most program managers, and
 - The director
- Assigned to field staff based on types of inspection
 - Vehicles often specialized
 - Field supervisors are assigned vehicles

Cell Phones

# of Phones 12/2009	59
# of Phones 12/2010	66
Cost 12/2010	\$2,235
% General Fund	9%

Vehicles

MFM Assigned	4
<i>Department-owned</i>	
Passenger Vehicles	76
Non-passenger Vehicles	9

Standards

- FY 2009-11 General Assembly Actions
 - License fees (\$20) for petroleum device technicians (\$10,000)
 - Budget calibration receipts (\$20,000)
- Reversion: \$23,437
- Governor's Recommendations:
 - 10% Mgmt Flexibility Reserve may impact this division
- Agency Options:
 - N/A

Standards

- Other Options
 - Transportation Appropriation Subcommittee reviewing Highway Fund transfer (\$5 million to this Division)
 - Asked to developing 5-10-15% reductions for Highway Fund Transfer for the Transportation Subcommittee
 - Fee options – numerous fees charged in this Division
 - Most fees last increased in 2005
 - Eliminate or reduce frequency of inspections
 - Potential savings for the Highway Fund and/ or General Fund

Structural Pest & Pesticides

Structural Pest

- Certifies, Licenses, & Monitors:
 - Insecticide
 - Fungicide
 - Rodenticide
- 19 Employees
- Total Expenditures: \$1.17 M
- General Fund: \$667 K

Pesticide

- Certifies, Licenses, Monitors & Investigates:
 - Commercial applicators
 - Public operators, famers
 - Pesticide dealers
- 55 Employees
- Total Expenditures: \$3.76 M
- General Fund: \$3.4 M

Primarily Regulatory

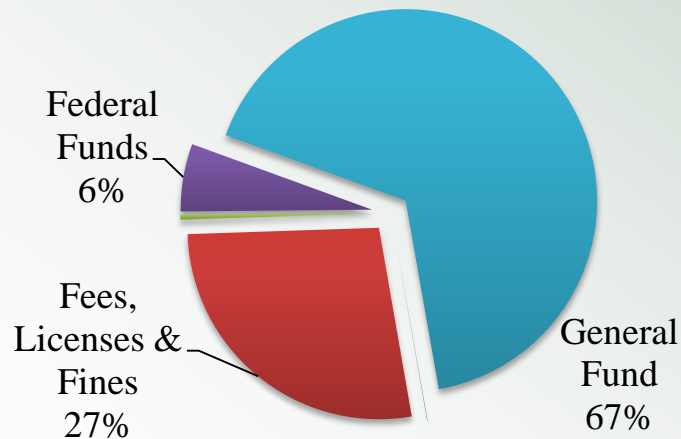
Certain Structural Pest programs are only required by State law
Education /Outreach & Disposal Assistance are not required

Structural Pest & Pesticides

	2009-10	2010-11	2011-12
	Actual	Authorized	Continuation
Expenditures	\$ 4,797,437	\$ 5,001,039	\$ 4,931,179
Less Receipts	\$ 3,935,538	\$ 4,158,946	\$ 4,089,086
Appropriations	\$ 861,900	\$ 842,093	\$ 842,093

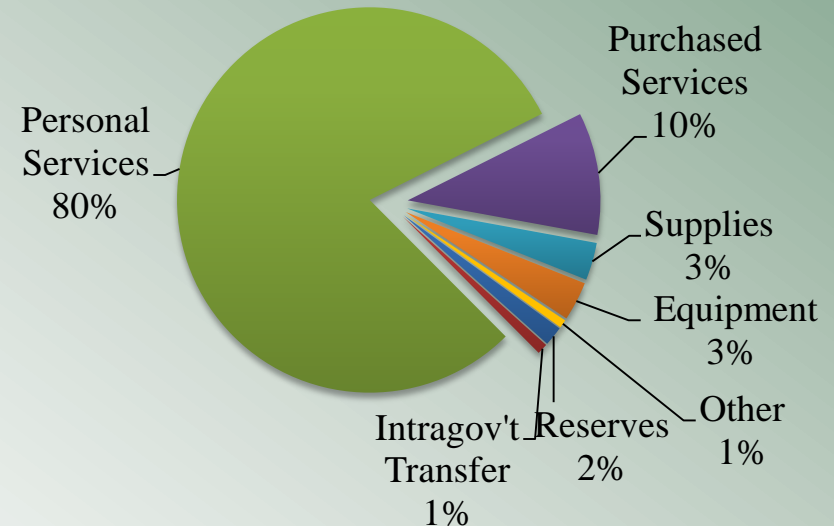
Source of Funds

FY 2010-11



Expenditure of Funds

FY 2010-11



Structural Pest & Pesticides



Positions

Directors	1
Asst. Directors	2
Admin	2
Other Employees	67
Total Employees	72

Cell Phones

# of Phones 12/2009	47
# of Phones 12/2010	45
Cost 12/2010	\$2,190
% General Fund	30%

Vehicles

MFM Assigned	2
<i>Department-owned</i>	
Passenger Vehicles	40
Non-passenger Vehicles	0

Structural Pest & Pesticides

- FY 2009-11 General Assembly Actions
 - Budgeted over-realized receipts in Pesticides (\$629,944)
 - Increased certain structural pest fees (\$100,000)
 - Increased pesticide registration fee (\$500,000)
- Reversion: \$22,731
- Governor's Recommendations:
 - 10% Mgmt Flexibility Reserve may impact this division
- Agency Options:
 - N/A
- Other Options:
 - Consolidate all pest related activities

Veterinary Services

Animal Disease Diagnostic Laboratory System

- Diagnosis and early detection of diseases

Animal Welfare/Shelters Program

- Shelter inspections & the Spay/ Neuter program

Animal Health Programs

- Active surveillance of state's livestock & animal movement

Many regulatory programs

Most programs required by State law

Certain animal health activities required by federal law

Veterinary Services

Animal Disease Diagnostic Lab System

- G.S. 106-307.2 require the State Vet to:
 - Monitor herds and flocks for disease
 - Regulate movement of animals within /across state lines
 - Issue quarantines to prevent spread of disease
- Veterinarians are required to report certain disease conditions to the State Veterinarian's office
- Four vet labs:
 - Rollins (Raleigh) Arden
 - Elkin Monroe

Veterinary Services

Animal Welfare Programs

- Inspections & Certifications
 - Required by G.S. 19A-20 through 44
 - Inspect kennels, county/ municipal shelters, pet stores...
 - Certify euthanasia technicians
- Spay/Neuter Program
 - Governed G.S. 19A-60 through 66
 - Reimburses local governments for the cost of providing low cost spay/ neuter to low income residents
 - Funded by revenue from license plate and the inspection of commercial pet food

Veterinary Services

Animal Health Programs

Administration of laws and regulations to prevent and eliminate the outbreak of endemic, emerging and foreign livestock and poultry diseases.

Licenses:

- Livestock dealers & markets
- Hatcheries
- Poultry/ratite dealers
- Rendering plants
- Dead animal collectors

Monitors:

- Livestock markets
- Poultry exhibitions
- Horse sales, markets, shows
- Foreign animal diseases.

Required by G.S. 106-168.1 through 549.94

*Also regulated by the Code of Federal
Regulations Title 9.*

Veterinary Services

Vehicles

MFM Assigned	36
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Department-owned

Passenger Vehicles	0
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Non-passenger Vehicles	3
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Cell Phones

# of Phones 12/2009	41
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# of Phones 12/2010	41
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Cost 12/2010	\$1,969
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% General Fund	72%
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Positions

Directors	1
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Asst. Directors	4
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Admin	28
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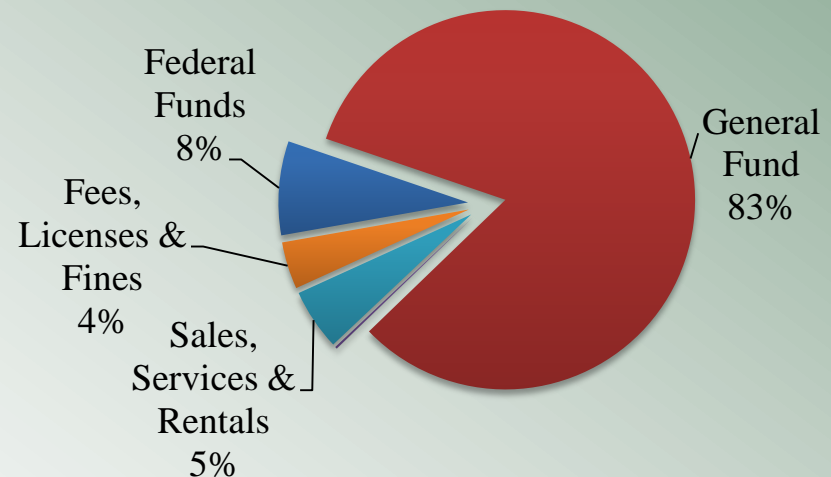
Other Employees	109
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Total Employees	142
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Veterinary Services

	2009-10	2010-11	2011-12
	Actual	Authorized	Continuation
Expenditures	\$ 11,603,263	\$ 11,693,409	\$ 11,140,729
Less Receipts	\$ 2,445,549	\$ 2,039,232	\$ 1,510,004
Appropriations	\$ 9,157,714	\$ 9,654,177	\$ 9,630,725
Positions	153.75	144.35	144.35

Source of Funds
FY 2010-11

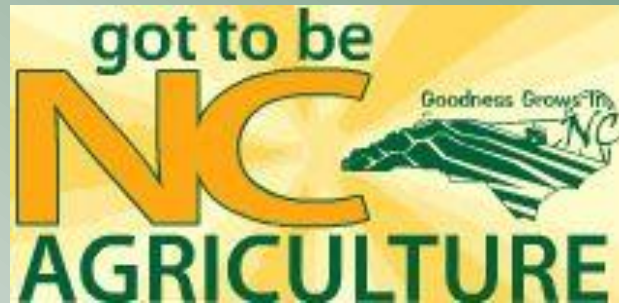


Veterinary Services

- FY 2009-11 General Assembly Actions
 - Increased fees across many services (\$200,000)
 - Closed the Rose Hill vet lab (\$431,798)
 - Encouraged online reporting of lab results (\$15,000)
 - Transferred the Spay/ Neuter program from DHHS
 - Over-realized receipts (Pet Food inspections) provide funds (\$250,000)
- Reversion: \$530,733
 - 25% of reversion, 16% of total General Fund
- Governor's Recommendations:
 - 10% Mgmt Flexibility Reserve may impact this division

Veterinary Services

- Agency Options:
 - Eliminate the Animal Welfare Program (\$349k, 6 FTE)
 - Retains the Spay/ Neuter program and 1 FTE (all receipts)
- Other Options
 - Eliminate administrative positions
 - 25 Admin Assistants for 117 other employees
 - ~ \$30 to 35k + fringe per Admin Assistant
 - Close another vet lab
 - Increase fees



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733-4910

